

Legislative Report; Week of April 30, 2007

This week saw the House pass **H.B. 265 – Establish High Risk Pool**. Republicans made a concerted effort to amend the assessment provisions to require that assessments be funded by appropriations from the State's General Fund. However, this amendment failed, and this legislation thereafter passed second and third readings overwhelmingly. The bill will now be sent to Senate Commerce. Senator Doug Berger has introduced companion legislation, **S.B. 163**, which he has agreed to hold so that **H.B. 265** can be the Risk Pool vehicle of choice. I will keep you advised as Senate Commerce takes up this legislation. However, please note that the crossover deadline is May 17, and bills subject to the crossover deadline will most likely receive priority treatment.

H.B. 737 – Insurance Financial Omnibus passed the House this week and will be sent to Senate Commerce. This is a DOI bill which addresses its monitoring of the solvency of insurance companies.

H.B. 1016 – Revise 529 Plan Deductions also passed the House this week, and will be sent to Senate Finance. It increases the amount of the deductions available to individuals and married couples filing jointly who contribute to 529 plans.

H.B. 748 – Insurers/Cover Prescriptions in Emergencies passed out of House Insurance this week. It is on for second and third readings on the floor of the House on Monday, May 7.

H.B. 731 – Revise Life and Health Insurance Laws received a favorable report in House Insurance on May 2. It has passed the House and has been sent to the Senate. The primary provision of interest in this bill relates to the adoption of an NAIC model act on suitability requirements for the sale of annuities.

S.B. 1434 – Mental Health Parity, which is sponsored by Sen. Bob Atwater (D-Chapel Hill), is now scheduled to be heard for the first time in Senate Commerce on Tuesday, May 8. I will keep you advised as to the energy that this legislation has behind it. Note as well that House Health is scheduled to hear the House version of mental health parity in House Health on Tuesday, May 8. This bill is **HB 973**, and it is sponsored by Representatives Martha Alexander (D-Charlotte), Hugh Holliman (D-Lexington), William Wainwright (D-Havelock) and Verla Insko (D-Chapel Hill).

H.B. 1897 – Health Care for All Planning Commission was introduced this week by Rep. Verla Insko (D-Chapel Hill). This Planning Commission would conduct a comprehensive review of the current health care system in North Carolina and make recommendations to the General Assembly on moving from a "fragmented system" to an "integrated system of public and private health care services" such that all North Carolinians would have access to appropriate health care on a regular basis. Appropriations of \$100,000 for each of the next two calendar years would be made, and the Commission would consist of 17 members, one of whom would represent the health

insurance industry in North Carolina. Hospitals, employers, the general public and one member who is an expert in health services policy would also be on the Commission. This bill has been referred to the Ways and Means Committee, and if it should receive a favorable report from that Committee, it would then go to Appropriations. Representatives Bill Faison (D-Durham), Pricey Harrison (D-Greensboro) and Cullie Tarleton (D-Blowing Rock) are also sponsors of this legislation.

Note that **H.B. 1236 – Limit Excessive NPO Corporate Compensation** received an unfavorable report in House Insurance this week. This legislation, introduced by Rep. Bill Faison (D-Durham), would have limited the compensation that could be paid to officers and executives of Blue Cross. This bill died a quiet death and will not be heard from again this session.

At some time within the next two weeks I would expect **H.B. 967 – Health Benefit Plan – Standard Insurance Card** to be heard in House Insurance along with **H.B. 1642 – Life Insurance Information/Funeral Establishments**. The May 17 crossover deadline is looming large on the horizon, and there will be a great deal of activity in committees and on the floors of the House and Senate.

The rush to crossover will be busy and chaotic. I shall endeavor to keep you advised of all developments, and please feel free to contact me at any time with any questions or comments that you might have.

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